

The South Carolina District Office Dispatch

Information for the Small Business Community

U.S. Small Business Administration South Carolina District Office

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All of the SBA's programs and services are provided to the public on a non-discriminatory basis.

HONORING SMALL BUSINESS OWNERS AND THEIR ADVOCATES

"...small business owners are taking risks and pursuing dreams."

President George W. Bush

It's been awhile since our last newsletter but not because the small business community has been sleeping. In fact, small businesses and small business owners are exhibiting dynamic economic energy.

According to the SBA Office of Advocacy, small business owners are driving the state's economy. Self-employment increased 10.7% from 2002 to 2003, and small business proprietors' income increased by 7.9% during the same period.

In recognition of small business owners' service to South Carolina, this issue is dedicated to the SBA 2005 State Small Business Persons and their success stories.

The 2005 State Small Business Persons are: **Bill Head**, owner of H&H Auto Service on Hilton Head Island – *Small Business Person of the Year*; **Manny and Clara Gonzales**, owners of Tiger Lily Florist in Charleston – *Runners-up*; and **Patricia Owen**, owner of FACES DaySpa – *Runner-up*.

Of course, there wouldn't be any small business success stories without the advocates and entrepreneurs whose contributions to small business make success possible.

The District Office would like to congratulate the following men and women, all winners of the 2005 SBA Awards for South Carolina:

Minority Small Business Champion – Donna Barber, 437th Contracting Squadron at Charleston Air Force Base

Small Business Advocate – Pandra Lemrow, Greater Lexington Chamber of Commerce

Small Business Media Advocate – Lori J. Coon, GSA Business

Financial Services Champion – William B. Gossett, Islands Community Bank

South Carolina Small Contractor of the Year – Astrid A. Stuard, Astrid Contract Technical Services, Inc. (dba ACTS, Inc.)

Speaking of the small business awards...

Now is the time to start preparing nominations for the 2006 SBA Awards!

- State Small Business Person of the Year
- Financial Services Champion of the Year
- Women in Business Champion of the Year
- Minority Small Business Champion of the Year
- Veteran Small Business Champion of the Year
- Home-Based Business Champion of the Year
- Small Business Exporter of the Year
- SBA Young Entrepreneur of the Year
- Small Business Journalist of the Year
- SBA Family-Owned Business of the Year

2006 nomination guidelines will be available soon.

Visit www.sba.gov/sc to view the 2005 nomination guidelines.

Don't forget to check out more success stories on our Web site at www.sba.gov/sc.

AT H&H AUTO, IT'S ALL ABOUT THE CUSTOMER

Disenchanted with the dishonesty and inflated repair costs he had encountered during his career in the automotive industry, **Bill Head** founded H&H Auto Service with a colleague, fulfilling a lifelong dream. Although his partner rescinded ownership and left the venture, Bill opened H&H Auto in December 1993 as sole proprietor and technician – with little more than a \$7,000 investment, a tool kit and “sweat equity.”

For the next three years, Bill dedicated himself to his business, working 12 hours a day, seven days a week. His clientele grew rapidly via word of mouth among customers impressed by the quality of H&H's service.

“Our business has really just been on referrals,” says Vicki Head, H&H's office manager and Bill's wife of 33 years.

By 1996, Bill had doubled his shop's space to 5,000 sq. ft. He purchased a second lot in 2000 and began construction on H&H's new home – an 8,750 sq. ft. state-of-the-art facility. H&H moved to its new location on October 17, 2003 – Bill's 55th birthday. The following month, Bill received his Pre-Owned dealer license and H&H sold its first car. In January 2004, H&H Auto opened a 1,000 sq. ft. detail shop.

Bill's family expanded alongside H&H. In 1993, the year H&H opened, Bill and Vicki traveled to Peru where they adopted their daughter, Whitney Victoria. Three years later, when the shop had grown to 5,000 sq. ft., they adopted their son William Michael from Costa Rica.

Today, H&H Auto Service is valued in excess of \$2 million and is the largest independent sales and service facility on Hilton Head Island. In 2004, after a decade of business, H&H Auto was named the Hilton Head Island-Bluffton Chamber of Commerce Small Business of the Year.

Bill has maintained the devotion to honesty and customer service that led him to found H&H Auto. He enjoys treating customers to personal tours of the shop.

“It's all about the customer and not just about the car,” Vicki says.



Bill and Vicki Head

A friend of the Heads once noted, “Your friends started out as your customers, and your customers started out as your friends.”

Bill's integrity extends beyond customer service. He provides full benefit programs as well as continuing education to his employees, who now number 12.

H&H donates cash and services to local charitable organizations, including: The Boys and Girls Club, Special Olympics, Second Helpings (a non-profit food distribution project), Muscular Dystrophy Lock Up, Sunshine Kids and United Way.

When he opened his repair shop, Bill was unfamiliar with the SBA and its numerous programs designed to assist small businesses like H&H Auto. But at the 2005 Expo held in Washington, D.C., where Bill received the **Small Business Person of the Year Award**, “our eyes were opened,” Vicki says. “We're going to take advantage of some of the programs.”

As long as Bill has plans for future improvements and developments at H&H Auto, the SBA will be a valuable resource for realizing his goals.

Bill and Vicki reside with their two children in Hilton Head.

Lender Production YTD 6/30/2005 7(A) Loans

Lenders	# of Loans	\$ Amount
Bank of America	164	4,748,000
Capital One, Federal Savings Bank	69	3,120,000
Business Development Corporation of SC	50	11,501,000
Innovative Bank	45	328,000
Branch Banking and Trust Company	31	6,681,500
Business Carolina, Inc.	19	13,270,000
First Federal Savings & Loan Assoc. of Charleston	19	1,412,000
Wachovia	14	4,446,700
CIT Small Business Lending Corp	13	6,709,400
Community South Bank	9	7,749,200
First National Bank of Spartanburg	7	5,650,000
Islands Community Bank, NA	7	1,121,500
Comerica Bank	6	3,044,200
Community West Bank, NA	6	2,342,500
Temecula Valley Bank, NA	5	3,940,200
Regions Bank	5	1,263,300
Suntrust Bank	5	520,600
Bank of Travelers Rest	4	1,229,330
Beach First National Bank	3	3,302,504
Greer State Bank	3	903,160
Provident Community Bank, NA	3	721,730
South Carolina Bank and Trust, NA	3	416,000
American Express Centurion Bank	3	50,000
Business Loan Center, LLC	2	1,660,000
Borrego Springs Bank, N.A.	2	991,000
First National Bank of Nassau County, The	2	791,300
Newtek Small Business Finance, Inc.	2	641,000
SouthCoast Community Bank	2	455,000
Stearns Bank, NA	2	410,200
Carolina First Bank	2	297,500
First National Bank of the Carolinas	2	280,000
First Citizens Bank & Trust Company, Inc.	2	94,700
Business Lenders, LLC	1	1,400,000
Florence National Bank	1	1,200,000
Small Business Loan Source, LLC	1	1,169,000
Crescent Bank	1	310,000
Guardian Bank	1	306,000
First National Bank of the South	1	250,000
Independence Bank	1	220,000
GE Capital Small Business Finance Corporation	1	186,000
First National Bank of South Carolina	1	100,000
Orangeburg National Bank	1	100,000
Coastal Federal Bank	1	90,000
Lowcountry National Bank	1	85,000
Great Western Bank	1	75,000
TOTAL	524	\$95,582,524

Small business lenders are vital to the growth and success of small businesses. Therefore, we'd like to congratulate the top lenders of SBA's fiscal year 2005:

Highest Number of 7(a) Loans Approved

1. Bank of America, N.A.
2. Business Development Corporation
3. Capital One, FSB

Highest Dollar Amount of 7(a) Loans Approved

1. Business Development Corporation
2. Business Carolina, Inc.
3. Business Loan Center, LLC

Highest Number of 504 Loans and Dollar Amount

1. Certified Development Corporation
2. Appalachian Development Corporation
3. Catawba Regional Development Corporation

Top Lender Third Party 504 Loans

1. First Citizens Bank & Trust



Demand for 7(A) Loans Continues at Record Pace

South Carolina small businesses are approaching the SBA for commercial credit in record numbers.

Small businesses in South Carolina secured SBA backing under the 7(a) for 524 loans through the first nine months of the fiscal year – a 51% increase over the same time period during the 2004 fiscal year and a 43% increase over the same time period during the 2003 fiscal year.

Thus far in the year, SBA-backed loans have amounted to \$95.5 million, 49% more than during the same period last year.

“We had a record year for this [the 7(a)] loan program a year ago, and we’re going to set another record in 2005,” said SBA Administrator Hector V. Barreto.

**SBA and Innovative Bank Present:
COMMUNITYEXPRESS
LOAN WORKSHOPS**

Thursday, Aug. 4, **Columbia**
9 a.m. – 12 p.m.
SC Employment Security Commission
C. Lem Harper Building
631 Hampton Street

Friday, Aug. 5, **Rock Hill**
9:30 a.m. – 12:30 p.m.
York County Library
138 E. Black Street

Tuesday, Aug. 23, **Charleston**
10 a.m. – 12 p.m.
Southern Metal Finishing Conference
Contact Lynn Douthett
(704) 344-6563

Friday, Sept. 9, **Columbia**
9 a.m. – 12 p.m.
SC Employment Security Commission
C. Lem Harper Building
631 Hampton Street

Saturday, Sept. 10, **Florence**
9 a.m. – 12 p.m.
Eastern Carolina Community Dev. Corp.
Florence County Library
509 South Dargan Street

Thursday, Nov. 3, **Columbia**
8 a.m. – 12 p.m.
SC Employment Security Commission
C. Lem Harper Building
631 Hampton Street

Friday, Nov. 4, **Spartanburg**
Time TBA
Spartanburg Area Chamber of Commerce
Spartanburg Technical College
800 Brisack Road
East Business Auditorium, Room E-25

For all workshops, go to www.ifainc.org or
call 1-877-269-7515 unless otherwise noted

Free Annual Credit Report

You will need a copy of your credit
report to attend the above workshops.

Go to www.annualcreditreport.com or
call 1-877-322-8228 and request your
free credit file disclosure provided by
Equifax, Experian and TransUnion.
You can also purchase an evaluation
of your credit score from one of these
three companies by visiting their Web
sites at:

www.equifax.com
www.experian.com
www.transunion.com

A CHARLESTON SMALL BUSINESS FLOWERS (LITERALLY)

Although roses still say “I love you” and mixed bouquets, “Thanks a bunch,” florists have entered a sales slump in the last decade. But for Tiger Lily Florist and its owners, **Manny and Clara Gonzales**, the floral business is blossoming. Their only challenge, according to Manny, is “keeping up with demand.”

Manny and Clara, both natives of Chicago, were newlyweds when their employer, Marriott Hotel, transferred them to its hotel catering operation in Charleston. When the Marriott property was sold, Manny and Clara had already “fallen in love with Charleston and the Lowcountry lifestyle. The Gonzaleses declined Marriott’s offer of Manny’s choice of several positions in other cities. After 12 years of working for the hotel industry, Manny and Clara decided to work for themselves.

“There is no other way to go than owning your own business,” Manny says. In 1996, the Gonzaleses purchased a struggling flower shop in downtown Charleston and transformed it into their personal small business success story.

Much of Tiger Lily’s success stems from the Gonzaleses’ savvy entrepreneurship. In 2001, they formed a partnership with local funeral homes, a business move that garnered them the cover of *Floral Management Magazine*. In early 2002, they expanded upon their concept of making their handiwork more accessible to the public and entered into a partnership with Earth Fare organic grocery stores. In 2004, Tiger Lily won the Charleston Small Business of the Year Award, its “crown jewel.”

Of course, Tiger Lily’s success also lies in the Gonzaleses’ dedication to providing a superior product with superior customer service.

“We’ve just thrown away all industry standards and said ‘We’re going to be great,’” Manny says.

Tiger Lily has been voted Best Florist six years in a row, from 2000 to the present year, by the readers of the *Charleston City Paper*. *Elegant Bride Magazine* named Tiger Lily Florist “One of America’s Best Wedding Flower Designers” in 2005.

Many small business owners, strongly independent by nature, are unwilling to reach out for help, according to Manny. But the Gonzaleses know the importance of seeking assistance and advice from institutions like the SBA.

“The SBA raises their [the small businesses’] edge – just one tax break or seminar... can make all the difference in the world,” Manny says.

At the end of the 2003 fiscal year, Tiger Lily Florist had made over \$940,000 – a sales growth of 630% since its debut. That same year, wishing to both expand Tiger Lily and to acquire their own building, the Gonzaleses sought the help of the SBA.

The SBA helped them to procure two micro loans totaling \$85,000 to purchase and renovate Tiger Lily’s new home – an early 20th century gas station popular with Charleston’s architecture aficionados.



A Tiger Lily Florist
“Sunflower Topiary”

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CUES & CLUES

Resources for Women In Business

Businesses that are at least 50% women-owned comprise 48% (nearly half!) of all privately-held firms in the U.S., according to recent statistics cited by Professional Woman's Magazine.

But women-owned firms continue to encounter difficulty accessing the following: **capital, networks, technical assistance, training and markets.**

Are you a woman business owner who faces these challenges?

If so, the SBA offers resources that can help you to meet those challenges.

The SBA-sponsored **Women's Business Center** of South Carolina offers the following services:

- Professional Business Advisor
- Start-up Counseling
- Business Planning
- Financial Management
- Financing Resources and Assistance
- Market Research
- Marketing Material Development
- Planning and Scheduling
- Business Strategies for Success
- Business Operations
- Doing Business with the Government

View these services and many more by visiting the SC Women's Business Center online at www.scwbc.com.

In addition, the SBA also offers the Online Women's Business Center at www.onlinewbc.gov. The Online Women's Business Center provides services such as Networking – including mentoring and women's business organizations, Business Basics – including financing your business and marketing, and "Hot Topics" – including child care and government contracting.

GROWTH BRINGS SMALL BUSINESS NATIONAL RECOGNITION

Patricia Owen has guided FACES DaySpa from its inception as a small boutique specializing in Estee Lauder cosmetics to its current status as a nationally renowned day spa profiled in major publications like *Vogue*, *Allure* and *Elle*.

Patricia began her career with Estee Lauder cosmetics in 1977 while living in St. Louis, MO. Six years later, after moving to Hilton Head Island, she parlayed her services with Estee Lauder into FACES Boutique, which featured the island's first Estee Lauder cosmetics department. FACES experienced a 30% annual increase in cosmetics sales for the first five years.

However, in 1988 a large mall with two department stores, each featuring its own cosmetics counter, opened near FACES. FACES needed to evolve to remain competitive: Patricia's small business needed to both meet and surpass the changing demands of her customers. Patricia thus made her first foray into the professional skincare industry. Her decision would help to lead FACES in a lucrative new direction.

Demand for professional skincare had grown exponentially in the "boom" 90s when more people had acquired the money to pamper themselves. Of course, "people who became stressed out making all that money needed what spas sell," said Kyle Richey, a hotel operations consultant, in the October 2001 issue of *Personal Finance Magazine*.

Patricia expanded FACES' amenities – and her clientele – when she added a spa treatment room to FACES' new home in a more locally prominent shopping center. By 1995, the single treatment room had reached its limit. To meet the demand for skincare treatments, Patricia converted office space into a second spa treatment room.

Shortly after the completion of the second room, FACES had once again reached its skincare capacity and was now on the brink of a major expansion that would allow it to become a state-of-the-art day spa renowned nationally – in short, the facility it is today.

In 1999, Patricia and a partner agreed that each would buy one of the two spaces intended to house the expanded spa. Together, they applied for their first SBA-guaranteed loan for \$300,000 to purchase and renovate a recently closed jewelry store adjacent to FACES.

Soon afterward, however, Patricia's partner decided to exit the venture, leaving Patricia with only half the property but all of the expansion bills.

"We were devastated and in a precarious position," Patricia says.

She requested another SBA-guaranteed loan for \$200,000 to purchase the second space and to help pay for the costs of expansion.

"I am convinced we would not have become the successful business we are today if we had not received SBA assistance," she says.

Since FACES' expansion, both Patricia and her business have won numerous awards and accolades. FACES DaySpa was named Business of the Year in 1996 and Small Business of the Quarter by the Hilton Head Island Chamber of Commerce. *Salon Today* profiled FACES as a winner of the title "One of the Nation's Fastest-Growing Spas" three years in a row, most recently in January 2004.

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Tiger Lily Florist (cont'd from page 4)

The former gas station has become a 7,000 sq. ft. flower shop and studio that has won various design and building awards.

Tiger Lily's presence has helped to rejuvenate the local community; indeed, it is part of the federally-funded Renewal Community Program for the city of Charleston, one of only 19 cities nationwide to offer the program. The Renewal Community Program provides tax breaks and other financial incentives to business owners who develop property in designated "revitalization areas." Tiger Lily currently employs two residents from the area.

Last year, Tiger Lily's first year in the historic building, gross sales increased 32% and have risen another 26% this year.

Manny and Clara know that the success of their business has only been possible with the overwhelming support of the community. Therefore, they understand the importance of giving back to the community. Tiger Lily Florist donates flowers exceeding \$10,000 in retail value to two charitable fundraisers each year. The American Cancer Society committee recently recognized the Gonzaleses' and Tiger Lily's contributions at its annual Hope Ball. In addition, Manny and Clara volunteer for the Trident United Way Crisis Hotline and for the South Carolina Birds of Prey Center.

Manny and Clara Gonzales reside with their two children, Ruby and Luke, in Mt. Pleasant, SC. Tiger Lily Florist will be featured in the December 2005 issue of *Southern Living Magazine*.

FACES DaySpa (cont'd from page 5)

Patricia has also received the Total Woman award, co-sponsored by Hilton Head's newspaper *Island Packet*. In 2004, she won the SBA Advocate Award for Entrepreneurial Success for the state of South Carolina and the eight-state Southeast region.

Most recently, FACES was named "Best Day Spa, Best, Massage, and Best Manicure/Pedicure" for Hilton Head Island and Bluffton by the *Island Packet*.

In addition to her devotion to business, Patricia is devoted to community. She volunteers for the United Way campaign and the Hilton Head Playhouse. Her business FACES contributes to many charities and charitable events, including the American Heart Association, American Cancer Society, Hilton Head Orchestra, March of Dimes, and the National Kidney Foundation, as well as to various area schools and churches.

From a boutique with annual revenues not exceeding five figures to one of the largest day spas on the Carolina coast with annual revenues upward of \$1 million, Patricia Owen's FACES DaySpa is a small business but a huge success.

Online Tip:

The complete 2005 *Small Business Resource* is available in PDF format online at www.sbaguides.com/en and at www.reni.net/guides/en.

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In closing, we'd like to congratulate the State Small Business Persons of the future:

*South Carolina Collegiate Entrepreneurship Award
presented by the Spiro Center at Clemson University:*

First Place: Michael Garcia
P.S.I. Motorsports, LLC

Runner-Up: William Roland
WillPower Media